



BRYCE YOKOMIZO  
Director

County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

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March 15, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
500 West Temple Street  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Board of Supervisors  
GLORIA MOLINA  
First District  
YVONNE B. BURKE  
Second District  
ZEV YAROSLAVSKY  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE EXECUTION OF AMENDMENT NUMBER TEN  
TO THE LEADER INFORMATION TECHNOLOGY  
AGREEMENT WITH UNISYS CORPORATION  
MARCH 15, 2005 AGENDA ITEM  
(ALL DISTRICTS – 3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT YOUR  
BOARD:**

Approve, and instruct the Chair to sign the attached Amendment Number Ten to County Agreement Number 68587 (LEADER Agreement) with Unisys Corporation (Unisys) to: 1) increase the Total Maximum Contract Sum by \$1,862,867 to provide for costs in the 24-month Extended Term that are consistent with costs approved in the original LEADER Agreement and subsequent amendments and modifications; 2) amend certain provisions and schedules to cover the 24-month Extended Term; and 3) reflect that Unisys will not charge the County for certain costs, such as help-desk support, network management, LAN support, remote LAN support and telecommunications costs necessary to support up to 500 County-purchased workstations/laptops that may be added to the LEADER System during the 24-month Extended Term.

**BACKGROUND**

On September 12, 1995, your Board approved the initial LEADER Agreement between the County and Unisys for the development, Countywide implementation and ongoing operation of the LEADER System. Your Board also delegated authority to the DPSS Director to extend the LEADER Agreement term for up to twenty-four months. This letter serves to notify your Board that I intend to exercise that option and will notify Unisys to extend the 9.6 year contract term by 24 months through April 30, 2007, making the overall term of the LEADER Agreement eleven (11) years and six (6) months.

*"To Enrich Lives Through Effective And Caring Service"*

Exercising the County's option to extend the LEADER Agreement for 24 months will preserve the full operational functionality of the LEADER System and provide uninterrupted service to CalWORKs, CAPI, Food Stamps, Medi-Cal and General Relief participants. Funding for the 24-month Extended Term is already approved by the State and Federal governments.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Your Board previously approved \$33,401,944 for the 24-month Extended Term. The purpose of this Amendment is to modify the LEADER Agreement to increase that amount by \$1,862,867, from \$33,401,944 to \$35,264,811. The \$1.8 million will allow for monthly equipment costs and services included in the LEADER Agreement and subsequent amendments and modifications that were not carried into the 24-month Extended Term. There are no new costs or services included in the \$1.8 million.

Additionally, the recommended action also amends certain provisions and schedules of the LEADER Agreement to cover the 24-month Extended Term; and it reflects the ability for the County to add up to 500 County-purchased workstations and/or laptops to the LEADER System at no cost to the County for certain costs, such as help-desk support, network management, LAN support, remote LAN support and telecommunications costs to support this additional equipment during the 24-month Extended Term.

Unisys has agreed that the monthly Facility Management/Operations and Telecommunications fixed rate will remain the same during the 24-month Extended Term as long as the total caseload does not exceed 3,031,152 active cases per month, as currently established in the LEADER Agreement. Additionally, under the current LEADER Agreement, certain Unisys staff and equipment is co-located with DPSS staff at the County's LEADER facility in El Monte. DPSS believes this co-location is in the County's best interest, and this Amendment continues the co-location during the Extended Term.

Concerning next steps in the reprocurement of the LEADER System, the Department acquired the services of Fox Consulting, Inc. to conduct an assessment of the current LEADER System and to make recommendations for the future of LEADER. The resulting recommendations included estimated costs and timelines for two different alternatives of system design and architecture. Another alternative is to convert to one of the two newer Statewide Automated Welfare Systems (SAWS), such as C-IV or CalWIN. Each of these three alternatives will be fully explored by a contractor that we intend to bring in to help us prepare the RFP, negotiate the contract, and monitor and evaluate the system transfer. This work will be supported by the CIO, ISD, and the State.

Finally, depending on the ultimate approach of the LEADER System reprocurement effort and the selected vendor, it may be necessary to extend the LEADER Agreement with Unisys beyond April 30, 2007, if a new vendor comes on board. Any extension beyond 2007 would allow for the continued operation of the LEADER System while a new vendor makes any necessary modifications to transfer the system.

### **Implementation of Strategic Plan Goals**

The recommendation is consistent with the principles of County Strategic Plan Goal #1 (Service Excellence) to provide the public with easy access to quality information and services that are both beneficial and responsive, as well as Goal #4/Strategy 3, which is to ensure that service delivery systems, such as the LEADER System, are efficient, effective and goal-oriented, and collaborate across functional and jurisdictional boundaries. In addition, this Amendment is consistent with DPSS' objectives for increasing the efficiency and effectiveness of departmental programs through expanded information technology and communications.

The LEADER System is part of the DPSS Business Automation Plan.

### **FISCAL IMPACT/FINANCING**

This Amendment will increase the Total Maximum Contract Sum for the 24-month Extended Term by \$1,862,867, from \$33,401,944 to \$35,264,811. The current approved Total Maximum Contract Sum for the Initial Term is \$196,615,110. With your Board's approval of Amendment Number Ten, the combined Total Maximum Contract Sum will be \$231,879,921.

#### **Costs for Fiscal Year 2004-05**

The total estimated costs for Amendment Number Ten in FY 2004-05 are \$151,699. These costs will be financed using \$130,294 State and federal revenues, and an estimated NCC amount of \$21,405. Sufficient funding is included in the FY 2004-05 Adopted Budget.

#### **Costs for Fiscal Year 2005-06**

The total estimated costs for Amendment Number Ten in FY 2005-06 are \$917,276. These costs will be financed using \$787,848 State and federal revenues, and an estimated NCC amount of \$129,428. Sufficient funding will be included in the Department's FY 2005-06 Budget Request.

#### **Costs for Fiscal Year 2006-07**

The total estimated costs for Amendment Number Ten in FY 2006-07 are \$793,892. These costs will be financed using \$681,874 State and federal revenues, and an estimated NCC amount of \$112,018. Sufficient funding will be included in the Department's FY 2006-07 Budget Request.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The State and Federal agencies have approved DPSS' Implementation Advance Planning Document Update (IAPDU) requesting the increase to the LEADER Agreement with Unisys for the two option years.

This Amendment was negotiated and prepared by DPSS staff and reviewed and approved as to form by County Counsel, as well as with outside counsel, Mitchell, Silberberg & Knupp LLP.

This is not a Prop A contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

### **CONTRACTING PROCESS**

On September 12, 1995, your Board awarded a 7.5-year contract, with the County option for two additional years, to Unisys, via a competitive solicitation. Amendment Number Three and Amendment Number Four approved by your Board extended the 7.5-year contract term by two years to April 30, 2005, making the Initial Term of the LEADER Agreement nine (9) years and six (6) months. The LEADER Agreement provides the DPSS Director with the authority to extend the LEADER Agreement term for up to twenty-four months by providing 30 days notification to Unisys. By March 31, 2005, the DPSS Director will notify Unisys to extend the 9.6 year contract term by 24 months through April 30, 2007, making the overall term of the LEADER Agreement eleven (11) years and six (6) months.

### **IMPACT ON CURRENT SERVICES OR PROJECTS**

Approval of this Amendment will provide uninterrupted service to CalWORKs, CAPI, Food Stamps, Medi-Cal and General Relief participants while DPSS prepares and releases a Request for Proposals and completes negotiations for the procurement of the LEADER System.

### **CONCLUSION**

Upon your Board's approval of this Amendment, DPSS will notify the Executive Officer, Board of Supervisors, and request the return of two (2) original signed copies of this Amendment and one (1) adopted stamped Board Letter to the Department of Public Social Services.

Respectfully submitted,

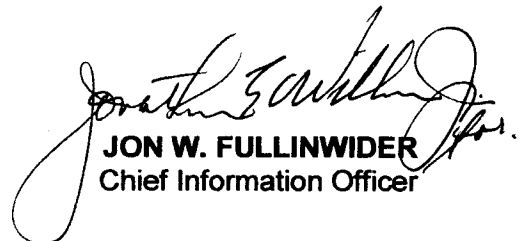


**BRYCE YOKOMIZO**  
Director

BY/JWF:pcr

Attachments

c:     Executive Officer, Board of Supervisors  
       Chief Administrative Officer  
       County Counsel  
       Chair, Information Systems Commission  
       Auditor-Controller



**JON W. FULLINWIDER**  
Chief Information Officer